

FREEDOMS PATH AT FORT HARRISON DEVELOPMENT SELECTION CRITERIA

1. EXTENDED LOW INCOME USE* (0- 10 POINTS):

Federal law requires a 30-year extended use agreement with an option to sell the development at year 15. An application in which the applicant agrees to maintain units for low income occupancy beyond the initial fifteen year compliance period will receive points as indicated below and will have these restrictions incorporated into the Declaration of Restrictive Covenants.

Years beyond initial 15

15 years 0 points (30 total years)

16 - 20 years 4 points (31 - 35 years)

21 - 25 years 6 points (36 - 40 years)

26 - 30 years 8 points (41 - 45 years)

Over 30 years 10 points (46 years +)

Ft. Harrison Veterans Residences Limited Partnership as owner has opted to extend the low income use 35 years beyond the initial 15 year compliance period to 50 years, thus fulfilling the requirement for these 10 points. The partnership agrees to execute a Declaration of Restriction Covenants as required to document this extension.

We therefore request 10 Points for this item.

Eventual Home Ownership 10 points:

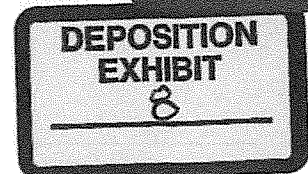
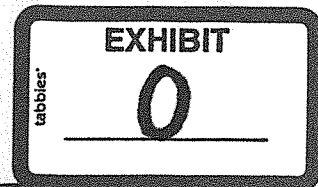
Development targets developments intended for eventual low-income tenant ownership. Applicant must provide at time of application, a) a feasible plan that transfers property in whole at the end of year 15, b) the future selling price at the end of year 15, c) a method for the completion of homebuyers counseling by the tenant, and d) any other information requested by the MBOH. Information will be reviewed for conformance with Section 42(h)(6) and IRS Ruling 95.49.

The development is not intended for eventual home ownership therefore this item is not applicable and no points are being claimed.

2. Lower Income Tenants* (0-22 points):

A proposal will receive points for the percentage of eligible units at area median income levels listed below. A development will receive points for 40%, 50%, and 60% categories when the development targets those income & rent levels. Points awarded for 40% units are independent of and not calculated as part of 50% or 60% units. Developments will be bound by the terms committed to in the application process through the use of the Declaration of Restrictive Covenants.

Area Median Income Level	Percentage of Eligible Units	Points
40% or below	10% (or greater)	2 NOTE 2
50% or below	15-20%	6 NOTE 2
50% or below	21-40%	8 NOTE 2



50% or below	41-60%	15 NOTE 2
50% or below	61-100%	20 NOTE 2
60% or below	40%	0
60% or below	41-60%	2
60% or below	61-100%	4

NOTE 2: Rents @ 40% allowed to income qualify to 49% AMI.
Rents @ 50% allowed to income qualify to 55% AMI (40/60 election must apply)
(Applicable to all existing LIHTC properties)

This development has a total of 40 units with the following targeting:

62% (25 units) at 50% Area Median Income (20 Points)
10% (4 units) at 40% Area Median Income (2 Points)
28% (11 units) at 60% Area Median Income.

We understand we will be bound by the terms committed to in the Application through the use of a Declaration of Restrictive Covenants.

We therefore request 22 Points for this item.

3. Development Location (0-3 points):

Developments located in a given area where amenities and/or services will be available to tenants (0-3 points)

There are many amenities and services available to the households of the development. Below is a listing of some these amenities.

We therefore request 3 points for this item.

Schools

Helena Public Schools

1 special-ed preschool (Pre-K)	4.78 miles
Ray Bjork Learning Center	
1800 8th Avenue	
Helena, MT 59601	
Elementary school	1.58 miles
Kessler Elementary School	
2420 Chateau Avenue	
Helena, MT 59601	
Middle school (6-8)	2.61 miles
C R Anderson Middle School	
1200 Knight Street	
Helena, MT 59601	
High school	2.52 miles
Capital High School	
100 Valley Drive	
Helena, MT 59601	

Main Phone: 406.324.2500
Fax: 406.324.2501
TDD: 406.324.2611

Adult Learning Center 3.57 miles
Helena Schools Adult/Community Education
815 Front St
Helena, MT 59601

Carroll College 3.26 miles
1601 North Benton Avenue
Helena, MT 59625-2826

Medical Services

Fort Harrison VA Medical Center Adjacent to Site

The site is located on the VA Medical Center and Ambulatory Care campus. The priority population for the development will be Veterans, who are fully qualified to use all services available at the Medical Center. Therefore, medical services will be available at all times to the Veterans and these services will be within a few hundred feet.

These services include:

Primary and Specialty Care
Pharmacy
Vision and Dental Care
Psychological and Therapeutic Services
Women's Health Care
Rehabilitation Services,
Case Management.

Urgent Care Plus 3.39 miles
39 Neill Avenue
Helena, MT 59601-3330

Shopping

Capital Hill Mall 4.63 miles
1600 11th Avenue
Helena, MT 59601-9733

Broadwater Market 1.28 miles
3206 Euclid Avenue
Helena, MT 59601-9670

Albertsons 3.95 miles
3151 N Montana Ave
Helena, MT 59602

Transportation

The City of Helena HATS offers Checkpoint bus, an East Valley bus and Curb-to-Curb buses. Please see attached documentation behind Exhibit 1 for more information.

The East Valley Bus is a curb-to-curb bus that services the East Valley, Eastgate, and East Helena with stops in Helena at Wal-Mart, City County Health, Capital Hill Mall, HATS office

North Gate and Shop-Ko. The East Valley Bus operates from 7:00 a.m. to 6:00 p.m. with the last run leaving Helena at 5:00 p.m.

The Curb-to-Curb Bus runs every hour and half hour starting as early as 6:30 a.m. and ending at the HATS office at 5:30 p.m. Those with special needs, or riders not by a checkpoint bus stop, are picked up at the closest curb to their location, and delivered to the closest curb location. It is requested that rides be scheduled for next day service or the ride will be subject to availability.

The Check Point Bus is a set route bus with approximately 18 stops. The Check Point runs every hour starting at 7 a.m. with the last run beginning at 5 p.m. and ending at the HATS office at 6:00 p.m. The closest checkpoint Bus stop 7 at Main St & 13th is the closest scheduled stop 3.54 miles away

Other services

Veterans Affairs Office 1900 Williams Street Helena, MT 59602-9261 (406) 324-3740 Veteran entitlement and advocacy services.	0.54 mile
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Montana Army National Guard 1900 Williams Street Helena, MT 59602-9261 Employment and reserve activities	0.54 mile
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Helena Civic Center 340 Nell Avenue Helena, MT 59601-3334 Employment and entertainment	3.38 miles
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Jack & Sallie Corette Library 1601 North Benton Avenue Helena, MT 59625-0001	3.18 miles
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We therefore request 10 Points for this item

4. Housing Needs Considerations (0-14 points):

Meets area housing needs and priorities as evidenced by area housing providers. Addresses area market concerns, such as vacancy rate and type of housing required. Evidence provided in the application indicates that the community supports the development through neighborhood meetings with attendance rosters, minutes, and/or local charrettes with supporting documents, concept drawings, and input from community, etc. (4 points)

The market study demonstrates the significant need for the housing. This is further corroborated by the homeless coordinator staff of the Montana VA who have difficulty finding adequate housing for lower income Veterans. Anecdotal information from these staff members suggests an immediate and persistent need for Permanent Supportive Housing for Veterans. The Montana Homeless Survey documents 526 individual Veteran households and 86 family Veteran households in Montana that are listed as homeless. The Helena Area Housing Needs Assessment notes that there is a particular shortage of 2 and 3 bedroom rental units, that the community has an almost non-existent vacancy rate among rental units, and that future developments for rental housing as balanced against population growth will not provide enough rental housing to keep up with demand. This is coupled with the fact that of the homeless households surveyed, 89 of these were Veterans. Homeless Veterans are an under-served and in

some areas, growing percentage of the overall homeless population. The fastest growing sector within homeless Veterans is female headed households. This development, with its blend of single family and duplex housing with 2 and 4 bedrooms are especially modeled to meet the needs of Veteran households with family members all while conveniently located on the VA Medical Campus. Additionally, a smaller number of units will be available to single person households, with a planned second phase of new construction designed to address a greater percentage of homeless individual Veteran needs.

A Public hearing was held on August 2, 2011. Included under Exhibit 2 are the public notices for this hearing, the attendee list, the PowerPoint presentation made during the meeting, a follow-up news article, and response letters from the Lewis and Clark County Historic Society and the Montana Historic Society all marked as exhibit A behind this tab.

Based upon this feedback received and follow-up community input, the proposed development was crafted to address the preservation of the existing structures. Our organization, which has a strong record of historic preservation among its members, looked at this as a distinctive opportunity to accomplish two high value social results: historic preservation of unique and irreplaceable buildings, and very high quality, well placed housing for homeless Veterans. As such, the public input, specifically from the historic preservation community, which supported the housing for homeless Vets, was crucial to the nature, scope, and character of the final submittal to the VA for the development, and the resultant selection of this team as the Developer.

There were comments made during the public hearing that the conversion of these buildings to permanent housing for homeless and at-risk Veterans would not work. This is explicitly countermanded by the experiences on a host of VA Medical Center campuses (Sepulveda, CA; Hines, IL; Battle Creek, MI; Newington, CT; San Antonio, TX to name a few) where permanent supportive housing is an integral component of the service continuum offered by VA Medical Centers. These developments have been highly successful in reducing the number of homeless Veterans and in filling a critical gap for ensuring the return of Veterans to wholeness and independence. It is also the case that while this housing is called "permanent" that is a technical term. Most Veterans utilize supportive housing as a place to "pull it back together" before moving on. Typical residence periods are two to five years. The development has a well-documented need as corroborated by local, regional and state sources that have provided direct input related specifically to this development.

We therefore request 4 Points for this item

Appropriateness of size of development, (6 points)

The number of homeless Vietnam-era Veterans is now greater than the number of service men and women who died during that war, and an estimated 47% of homeless Veterans served during the Vietnam Era. More than 67% served for at least three years and 33% were stationed in a war zone.

In general, one in three men living on the streets is a Veteran. Over 25% of soldiers returning from Iraq and Afghanistan are showing acute symptoms of Post Traumatic Stress Disorder—a significant factor in the high rate of homelessness for veterans. The U.S. Department of Veterans Affairs (VA) estimates the nation's homeless Veterans are mostly males (approximately 4% are females), the vast majority are single and most

come from poor, disadvantaged communities. Statistics show that approximately 45% suffer from mental illness, and more than 50% have substance abuse problems.

According to the area sources, homeless Veterans represent nearly 25% of the total homeless population in the Helena and Lewis and Clark County area. There are an estimated 525 homeless people in the county on any given night, and as many as 200 are estimated to be Veterans.

Currently Montana has only three homes to serve homeless Veterans statewide; they are limited with only 49 beds, and none of those are for women. Considering that homeless and Veterans support housing in Billings and Kallispell operate at near 100% capacity, potential residents for the Fort Harrison Residence development will likely consider a move to Helena from these areas if needed services and rehabilitation alternatives are available. This broad area mobility was confirmed with several officials connected with organizations serving veterans and homeless/at-risk veterans.

The development has been sized at 40 units. Based on the documented need for Veteran housing to address homelessness and at at-risk of homelessness Veterans, the development is correctly sized to meet a portion of the need in Montana for permanent supportive housing for Veterans.

We therefore request 6 Points for this item

Appropriateness of market (rehab versus new construction, for example). [4 points]

The proposed 40-unit Fort Harrison Residence development represents 20% capture of the estimated 200 homeless veterans in the county, and an overall 37% capture ratio among income-appropriate male renters who are estimated to be veterans within the market area. We believe these ratios are acceptable and achievable. The Federal VA has launched a five-year plan to end veteran homelessness and thus far has increased national resources targeting homeless veterans by \$474 million to \$3.2 billion total, twice that of HUD's homeless programs.

Montana is the fourth largest state geographically and has one of the largest per capita veteran populations. To augment mental health services in the out-based clinics, VA Montana Health Care System contracted mental health care outside Lewis and Clark County (location of Fort Harrison) to reduce veteran travel. This allowed the VA to provide for local care while maximizing funding in rural areas without making the veteran travel.

We expect homeless veterans from across the state to be attracted to the subject development due to lack of alternatives in other areas as well as the services and programs available at Fort Harrison VA. Montana has two state veterans' homes located in Columbia Falls (northwest) and Glendive (east). VA also uses contract arrangements with private nursing homes to allow veterans to be placed in long-term care facilities closer to their families.

It is our expectation that with regional marketing, homeless veterans in other areas of the state will be attracted to the Fort Harrison property. The quality of care at the Fort Harrison VA Hospital and support services provide a unique residential alternative for veterans in need of a quality residential option.

The unique location of the development on the VA Medical Center campus with the availability of high quality, adaptable existing structures, and the size of the targeted population eligible to live in such housing demonstrates the appropriateness of this development design, thereby qualifying the development for the 4 points in this category.

We therefore request 4 Points for this item and a total of 14 points for this criteria.

5. DEVELOPMENT CHARACTERISTICS (0-16 POINTS):

Proposes the preservation of existing federally assisted housing stock or increases the affordable housing stock through the use of funds from other sources to leverage the tax credit dollars. (0-2 points)

Historically, these units have been used to serve on site VA Medical Center patients and staff, but have become untenable for patient services or for staff housing. In order to facilitate the availability of housing for homeless, disabled, and/or at-risk of homelessness Veterans, the Fort Harrison VA Medical Center has offered some of its vacant housing and buildings for adaptive re-use as housing for homeless and at-risk Veterans through an enhanced use lease concept that will cost only \$1/year. Thus, the VA is providing the value for land, infrastructure, and housing/buildings at no cost to the development. This development is 40 units, using an estimated value of land, infrastructure, and the existing structure of \$40,000 per unit, the value of this contribution is estimated to be \$1,600,000.

Additionally, since these buildings are qualified historic structures for designation upon renovation for inclusion on the national register, they will be eligible for historic tax credits, a source of funding in addition to low income tax credits.

Finally, the Developer will be applying for a Federal Home Loan Bank AHP Direct Subsidy that will reduce the amount of federal credits required for the development.

On the operating side, this development will be exempt from local property taxes. This is also a benefit to the overall operational funding of the property and enhances long term viability and well as reinforcing the development's affordability.

In conclusion, this development entails the preservation of federal assisted housing and accesses significant in kind and cash funding from other sources outside of low income housing tax credits and therefore should qualify for the 2 points.

We therefore request 2 Points for this item.

Projects that include higher quality amenities in comparison with other applications in the same round of competition. Items which may be considered would be higher quality cabinets, floor and wall finishes, dishwashers, carports, central computer or recreation rooms, emergency buttons in each unit, on site managers, air conditioning (especially if medically warranted), and playgrounds.

Luxury amenities will not be considered. Items deemed luxury would be similar to swimming pools or tennis courts. These items are meant only to be examples and are not to be considered complete lists. The amenities and qualities itemized will be analyzed and awarded points accordingly.

Use of existing terrain and landscaping that matches the surrounding area to enhance the grounds; use of innovative accessibility. The added costs attributed to the development because of efficiency, higher quality and amenities will be considered on a development by development basis for a cost to benefit assessment. (0-4 points)

The development will include the provision of the following amenities:

- Top-grade cabinetry
- Hardwood floors (hallways, living rooms)
- Berber carpet (bedrooms)
- Ceramic tile flooring (kitchen and baths)
- Energy Star refrigerators
- Energy Star dishwashers
- Natural Gas ranges
- Microwaves
- Ceiling fans
- High efficiency furnaces
- High efficiency water heaters
- Free internet
- Fitness center
- Tot lot/playground
- Technology/computer room (furnished)
- Game room
- Laundry
- Meeting/activity room
- On-site management staff
- On-site maintenance staff

Since these are historic structures that have been on the grounds for over a century, the structures already have a high level of continuity with the surroundings and have the benefit of what has now become a trade concept for the sustainable building industry: "embodied energy." When the costs of manufacturing, transporting, storing, and installing building products are compared to the savings derived from using an existing building, (as is the case here with these 11 structures), the existing buildings are often of proven quality having stood the test of time, and are, in the aggregate, more energy efficient and sustainable (which can be further enhanced with modern upgrades and retrofits as proposed here) than are new products.

Further, the land, buildings, and infrastructure are being provided by the VA at no cost to the development. It is the case that lead and asbestos abatement and seismic stabilization will add costs to the development, but these are more than off-set by the

value of the in-kind contribution from the VA of land buildings and infrastructure.

It is difficult to quantify the value of historically vetted and architecturally attractive buildings in a complementary setting, but it is a qualitative reality that most people recognize this as a value to be honored and preserved. This development is significantly driven by that dynamic and reality.

We therefore request 4 Points for this item

Applicant's justification for green building and energy conservation includes but not limited to Energy Star building and appliance initiatives, water saving devices, green construction and materials, heating, and insulation applications. Criteria for each application will be compared to other applications. The applicant's architect must provide a letter confirming the initiatives incorporated into the development. The architect will explain how, and by what amount, threshold items WILL EXCEED the IECC 2009 standards. NOTE: The applicant's architect must provide certification upon completion of the development confirming that the initiatives were incorporated. (0-10 points)

Attached as Exhibit 3 behind this tab is the Architect's Certification of the green building and energy conservation measures incorporated into the development as well as our selection of the scoring items. The development meets the stipulated energy and sustainability criteria.

We therefore request 10 Points for this item and 14 points for this criteria.

6. DEVELOPMENT TEAM CHARACTERISTICS (0-6 POINTS):

Participation by an entity with a demonstrated track record of quality experience in completed development or management of low income housing tax credit developments. The Board will consider all members of the development team and whether housing developments have been developed and operated with the highest quality either in Montana or another state. Special attention will be paid to existing developments, amount of active local community participation used to develop developments, and a management entity with a good compliance track record and specialized training. If an entity has a poor demonstrated track record with respect to developments in Montana or in another state, the Board reserves the right to assign up to ten (10) negative points. The MBOH reserves the right to contact community officials, developer team references, credit bureaus, other state tax credit administering agencies and all other sources as appropriate (0-6 points or as much as minus (-) 10 points each for (i) poor demonstrated track record with respect to developments in Montana or in another state, or (ii) for failure to respond within 10 working days of MBOH letter of inquiry).

The Development Team has extensive experience with affordable housing developments, specifically low income and historic tax credit developments. Further, the developments have an excellent compliance record, as does the management entity. The Freedom's Path at Fort Harrison development is being developed in close cooperation with the VA Medical Center and with additional consultation and input from the homeless service and advocacy and historic preservation communities. Please see narrative behind Exhibit 4.

We therefore request 6 Points for this item

7. DEMONSTRATION OF A MONTANA PRESENCE:

In order to assist in providing a better quality product consistent with the purposes of the MBOH and federal law, a development will qualify for points if a member of its development team is Montana based. One (1) point will be awarded for each of the following (0-4 points maximum):

- Developer or Development Manager. (A developer has existing affordable housing development(s) in Montana with a demonstrated quality product.)
- Contractor or Construction Manager
- Either the Consultant, Syndicator, Attorney, Accountant, Architect or Engineers

Our Montana based development participants include the following:

Development Manager/~~Historic~~ Certification Specialist--Jon Axline, Helena, Montana

Construction Manager/Architect--Tim Meldrum, SMA, 50 South Dry Gulch Road, Suite 1, Helena, MT

Civil Engineer--John Piccone, Robert Peccia and Associates, 825 Custer Avenue, Helena, MT

Landscape Architect LandARC is a Montana-based Land Planning and Landscape Architecture firm

Historic Consultant Jon Axline 448 Parriman Street Helena, MT 59602

Please see the resume's for these firms within the tab labeled development team qualifications.

We therefore request 4 Points for this item

8. PARTICIPATION OF LOCAL ENTITY (0-5 POINTS):

A proposal involving significant participation by a local entity must be evidenced by a signed agreement to participate. Examples of significant participation would be entities providing on-site services, screening and referring tenants through a formal agreement, donation of land or sale at a reduced price to enhance affordability, use of grant money to develop infrastructure, or significant fee waivers on city fees. Monetary or other material support will also be considered. Note: Information submitted during each round of applications will be compared to other applications within the same round. Only new agreements, land donations, and/or grants requested or negotiated for the current round will be considered for awarding points.

As noted in Section 4 above, this development is being made possible through the provision by the Veterans Administration of all of the land, infrastructure (roads, sidewalks, lighting, sanitary and storm sewers, water lines, natural gas lines, electrical lines), and buildings for the proposed 40 units. This contribution can be estimated at \$40,000 per unit, or \$1,600,000. The Veterans Administration will be leasing the property for \$1 per year, thus the development will not have to incur any of this cost. We have deemed this an in-kind contribution to the development.

In addition to this in-kind contribution, the VA Medical Center will be providing significant services to the resident population as outlined in the Amenities Section 3 above. Further, the VA will be providing referrals from its network of service centers and homeless coordinators around the State.

Additionally, since the development is located on federal property, it will enjoy property tax exemption. Therefore, this tax savings is another important operating subsidy that will make the long-term feasibility of the development more secure and the provision of requisite services and programs for the Veteran population more stable and effective, as the savings from taxes will be invested in services for the residents.

We believe this substantial participation by the Veterans Administration and the local property tax exemption qualifies the development for the full 5 points under this Section.

We therefore request 5 Points for this item.

9. TENANT POPULATIONS WITH SPECIAL HOUSING NEEDS* (0-10 POINTS):

Scoring in this category will be based on identified community and state housing needs, and the extent to which the proposed development addresses those needs. A development will receive one 1 point for each 10% of the units targeting the following identified needs:

The development has a total of 40 units. Of these, 29 units (72%) are two and four bedroom units. This qualifies the development for 7 points.

6 units will be made fully accessible, which represents the 5% (2 units) required to meet federal regulations and an additional 10% (4 units), to qualify for 1 point.

All 40 units will be targeted to homeless, disabled, and at-risk of homelessness Veterans. A minimum of 40% of the units will house Veterans who have a documented disability as determined by the VA.

Attached as Exhibit 5 behind this tab is the Services Agreement between the Partnership and Affordable Housing Solutions, Inc., the non-profit service coordinator and director.

We therefore request 10 Points for this item.

10. PRESERVATION OF AFFORDABLE HOUSING DEVELOPMENTS (0-3 POINTS):

For the acquisition and/or rehabilitation of buildings with local, state, or federal historic preservation* designations, existing affordable housing stock, or developments applying for rehabilitation tax credits that have completed their initial 15-year compliance period. (2 points)

The Montana Office of Historic Preservation has established that these 11 buildings are located in an eligible Historic District (Fort Harrison VA Medical Center campus) and are thereby eligible for designation on the National Register. The Developers have initiated the process for this designation. See the attached letter under Exhibit 6 from the Montana Historic Society documenting this designation eligibility. This qualifies the development for 2 points.

We therefore request 2 Points for this item.

Development involves existing housing as part of a community revitalization plan. Written confirmation must be submitted from a qualified public official stating that the development involves the use of existing housing as part of a community revitalization plan. (1 point)

This development was included as part of the Veterans Administration Building Utilization Review and Repurposing (BURR) program which is a national effort to revitalize vacant and deteriorating buildings on federal properties, primarily VA Medical Center campuses for the purpose of providing housing with attached services for homeless, disabled, at-risk of homelessness, and senior Veterans. The defined community in this respect is the Fort Harrison VA Medical Center, and this development involves the adaptive reuse and/or renovation of existing housing as part of an overall revitalization plan for the Medical Center campus. See the attached letter designating the development as a revitalization effort. Attached as Exhibit 7 behind this tab is the documentation referencing the BURR Initiative.

We therefore request 1 Point for this item.

11. MARKET NEED & COMMUNITY SUPPORT (0-5 POINTS):

The development must document (market statistics or market study) that a market exists to support the development and that the development meets the needs of the community. Scoring will be based upon demonstrated market need and more points will be scored by developments addressing the highest market needs. This will be compared with other applications in the same round of competition.

As stated on page II-11 of the attached market study by Vogt Santer Insights, the Capture and Penetration Rates indicate that there is a dire need for these apartment homes.

According to information from the National Coalition for Homeless Veterans, more than 150,000 veterans are homeless on any given night in the U.S. Nearly twice as many experience homelessness at some point during the year. In addition, veterans with

families are a growing segment of the homeless population, increasing 5% per year for the past three years.

The number of homeless Vietnam-era veterans is now greater than the number of service men and women who died during that war, and an estimated 47% of homeless veterans served during the Vietnam Era. More than 67% served for at least three years and 33% were stationed in a war zone.

In general, one in three men living on the streets is a veteran. Over 25% of soldiers returning from Iraq and Afghanistan are showing acute symptoms of Post Traumatic Stress Disorder—a significant factor in the high rate of homelessness for veterans.

The U.S. Department of Veterans Affairs (VA) estimates the nation's homeless veterans are mostly males (approximately 4% are females), the vast majority are single and most come from poor, disadvantaged communities. Statistics show that approximately 45% suffer from mental illness, and more than 50% have substance abuse problems.

According to the area sources, homeless veterans represent nearly 25% of the total homeless population in the Helena and Lewis and Clark County area. There are an estimated 525 homeless people in the county on any given night, and as many as 200 are estimated to be veterans.

Currently Montana has only three homes to serve homeless veterans statewide; they are limited with only 49 beds, and none of those are for women. Considering that homeless and veterans support housing in Billings and Kalispell operate at near 100% capacity, potential residents for the Fort Harrison Residence project will likely consider a move to Helena from these areas if needed services and rehabilitation alternatives are available. This broad area mobility was confirmed with several officials connected with organizations serving veterans and homeless/at-risk veterans. The subject site is expected to have the new supportive housing residential units at the Fort Harrison Residence project in 2013.

As a non-subsidized Tax Credit project, the proposed 40-unit Fort Harrison Residents project reports a capture of only 1.4% among a projected 2,875 income-appropriate renters. This is an excellent ratio.

There are also several support letters attached in the application under tab labeled Community Input thus further supporting the need for affordable housing.

We therefore request 5 Points for this item.

12. INTERMEDIARY COSTS (0-10 POINTS):

Developments with the lowest percentage of intermediary costs are compared with other applications in the same round of competition. (Development fees, attorneys, consultants, architects, etc.) For developments with identities of interest, developer overhead and construction overhead, fees may also be considered intermediary costs. Soft costs will also be considered in this

analysis.

Given that this development is a historic rehab, the renovation costs are relatively high due to the age and nature of the buildings. Conversely, non rehab costs have been kept to the lowest possible level to ensure that the majority of available funding can be directed to the renovation of the buildings without over-leveraging the development. This has produced a very high ratio of rehab costs to total development costs, qualifying the development for the maximum points in this category.

We therefore request 10 Points for this item.

13. DEVELOPER KNOWLEDGE AND RESPONSIVENESS (UP TO MINUS (-) 20 POINTS):

Applicants (consultants, developers, owners) with past demonstrated management weaknesses, including those listed below may impact on points for developer knowledge (Up to Minus (-) 20 points), for example:

- Has not followed-through on the development of a development from application to rent-up and operation;
- Has not maintained a development to Section 42 standards;
- Has received one or more IRS Forms 8823 (unresolved/uncorrected);
- Has not been trained in a certified compliance training program;
- Has not retrained management on compliance every four years;
- Has not submitted request for 8609 within six months after placed-in-service of previous development(s).

The Developer, Communities for Veterans, through its principal Beneficial Communities, have a current portfolio of 22 tax credit properties in 5 states, and all properties are in compliance with each of the respective state agencies tasked with monitoring the performance of this developer and its properties.

The development team

- Has followed-through on development of all development from application to rent-up and operation;
- Has maintained all developments to Section 42 standards;
- Has corrected all IRS Forms 8823;
- Has been trained in a certified compliance training program;
- Has retrained management on compliance at least every four years;
- Has submitted request for 8609 within six months after placed-in-service for previous development(s).

We therefore request 0 Points for this item.

We are requesting 108 points for this application.